

## DECISION MEMORANDUM

**TO:** COMMISSIONER KJELLANDER  
COMMISSIONER RAPER  
COMMISSION ANDERSON  
COMMISSION SECRETARY  
LEGAL  
WORKING FILE

**FROM:** GRACE SEAMAN

**DATE:** APRIL 7, 2016

**RE:** INLAND TELEPHONE COMPANY'S MARCH 22, 2016 TARIFF ADVICE  
LETTER TO REVISE THE RESIDENTIAL MEASURED SERVICE  
ACCESS LINE RATE AS REQUIRED BY THE FEDERAL  
COMMUNICATIONS COMMISSION (FCC).

On March 22, 2016, Inland Telephone Company ("Inland" or "Company") filed a Tariff Advice Letter requesting Commission approval to increase the monthly rate for residential Measured Service Access Line from \$16.00 to \$18.00. Inland submits this filing to comply with the FCC's *USF/ICC Transformation Order* No. 11-161, released on November 18, 2011 that requires the Company to increase its rates to the levels set forth in this tariff advice or face a corresponding reduction in its universal service support. Inland requests an effective date of June 1, 2016.

### BACKGROUND

In the *USF/ICC Transformation Order*, the FCC established certain requirements for rate-of-return carriers to receive federal high cost loop support (HCLS). One of the requirements was that the carrier's local rate plus state fees must meet the FCC's established rate floor if it wished to avoid a corresponding reduction in the HCLS. On June 10, 2014, the FCC released FCC 14-54 Report and Order that implemented a multi-year schedule to provide adequate time for incumbent carriers and state commissions to make any necessary rate adjustments. For the period between July 1, 2016 and June 30, 2017, the FCC will reduce support to the carriers for any lines "below \$18.00 or the rate floor established by the 2016 rate survey, whichever is lower." See FCC 14-54 Report and Order at 4.

## STAFF RECOMMENDATION

Staff has reviewed the filing and believes it meets the requirements set forth in the FCC Orders. Thus, Staff recommends Commission approval of this compliance filing with an effective date of June 1, 2016.

## COMMISSION DECISION

Does the Commission agree?

  
Grace Seaman

Udmemos/inland fcc rate floor filing dec memo